

**Revenue Bonding and I-JOBS Program Bill**  
**Senate File 376**  
*As Amended by the House*

Last Action:

House Floor

April 25, 2009

**DRAFT**

**Executive Summary Only**

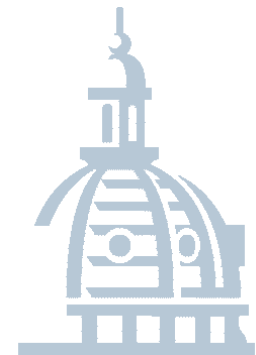
**An Act relating to the issuance of bonds including the issuance of annual appropriation bonds, creating an annual appropriation bonds debt service fund and an appropriation bonds capitals fund, making and revising appropriations, and including effective date provisions.**

**NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

Fiscal Services Division

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**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**SENATE FILE 376 AS AMENDED BY THE HOUSE  
REVENUE BONDING AND I-JOBS PROGRAM BILL**

*BONDING SUMMARY*

*BONDING SUMMARY –  
FISCAL IMPACT*

*FUNDING SUMMARY*

- The House amendment changes the type of bonds issued from appropriation bonds to revenue bonds and increases the amount of net proceeds from \$175.0 million to \$545.0 million.
- Authorizes the issuance of revenue bonds with net proceeds of \$545.0 million.
- As the bonds are issued, interest will be capitalized, so the first debt service payment will be in FY 2011. Debt service payments are estimated to be approximately \$49.1 million from FY 2011 through FY 2032. Then in FY 2033 through FY 2034 the debt service payment will be approximately \$8.0 million as the debt service reserve fund is used to pay the last of the debt. The last bond payment is expected to be in FY 2034. Total new debt is projected to be approximately \$1.2 billion. Projected interest rate on the revenue bonds is approximately 5.7%.
- The funds for the debt service payments are allocated from wagering tax revenue. Under current law, there is \$80.0 million of wagering tax revenue allocated before the remainder is deposited in the Rebuild Iowa Infrastructure Fund (RIIF). For FY 2011, estimated gambling revenue to the State is \$278.4 million, with \$198.4 million expected to be deposited in the RIIF. The issuance of revenue bonds reduces RIIF revenues by \$49.1 million annually for the life of the debt. For FY 2011, the impact is a 24.7% decrease in wagering tax revenue that will be deposited in the RIIF.
- Appropriates \$185.0 million from the Revenue Bonds Capitals (RBC) Fund for FY 2009. Restores funding for \$128.9 million of FY 2009 projects that have been delayed because the planned securitization of the remaining tobacco payments has not occurred, by moving the projects to the RBC Fund from the FY 2009 Tax-Exempt Restricted Capital Fund (RC3). Appropriates \$52.7 million for FY 2009 to projects that had not been in the RC3.
- Total funding for FY 2009 reflects deappropriations of \$24.6 million from the RBC Fund for certain FY 2009 Department of Administrative Services (DAS) and State Fair projects. Reductions to two projects totaling \$475,000 and an increase of \$3.4 million to two projects are reflected as well. In addition, the funding reflects the movement to the RBC Fund of \$22.0 million in projects that had been previously enacted from the RIIF for FY 2010. The amendment deappropriates \$22.0 million from the RIIF for FY 2010.
- Appropriates \$360.0 million from the RBC Fund for local infrastructure competitive grants, watershed flood rebuilding and prevention projects, soil conservation projects, sewer infrastructure, specified housing and public service shelter projects, public broadband technology grants, alternative energy projects, and for infrastructure projects relating to functionally obsolete and structurally deficient bridges.

# EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

# SENATE FILE 376 AS AMENDED BY THE HOUSE REVENUE BONDING AND I-JOBS PROGRAM BILL

## FUNDING SUMMARY

- Of the \$360.0 million, \$165.0 million is appropriated to the new Iowa Jobs Restricted Capital Fund (I-JOBS Fund) for FY 2010. Of this amount, \$118.5 million is allocated to the new I-JOBS Board for competitive grants for local infrastructure for projects related to disaster and flood rebuilding and prevention and \$46.5 million is allocated for targeted flood recovery rebuilding projects in Linn County, Cedar Rapids, and specified cities.
- Appropriates \$11.5 million from the RBC Fund to the Department of Agriculture and Land Stewardship for soil conservation projects.
- Appropriates \$13.5 million from the RBC Fund to the Department of Natural Resources for watershed and water quality projects, including conservation practices.
- Appropriates \$5.0 million from the RBC Fund to the Iowa Energy Center for use in the existing Alternative Energy Revolving Loan Program to provide funding for alternative energy projects.
- Appropriates a total of \$90.0 million from the RBC Fund to the Iowa Finance Authority (IFA) for FY 2010. Of this amount, \$55.0 million will be used for sewer infrastructure with \$35.0 million of that focused on small communities with populations of less than 10,000 people. In addition, \$10.0 million will be for used public service shelters, and \$25.0 million for specified housing assistance grants.
- Appropriates \$25.0 million from the RBC Fund to the Iowa Telecommunications and Technology Commission for public broadband technology grants for purposes of broadband technology deployment and sustainability throughout the State. Creates a new Governance Board that will oversee the broadband technology projects and administer the grants.
- Appropriates \$50.0 million from the RBC Fund to the Department of Transportation to be used for infrastructure projects relating to functionally obsolete and structurally deficient bridges on the State's primary road system.

## DIVISION I

## AUTHORIZATION AND SPECIFICATIONS FOR BONDING

## REVENUE BONDS AUTHORIZATION

- Authorizes the Treasurer of State to issue, sell, and refund revenue bonds. Sets the maximum aggregate net proceeds amount at \$545.0 million, excluding any refunding. Normally, tax-exempt bonds allow for one refunding.
- Of the \$545.0 million, \$185.0 million will be used for projects that meet the definition of vertical infrastructure as defined in Section 8.57(6)(c), Code of Iowa, to the extent practicable. The remaining \$360.0 million will be used for purposes of the I-JOBS Program, watershed flood rebuilding and flood prevention projects, soil conservation projects, sewer infrastructure projects, specified housing and public service shelter projects, public broadband technology grants, alternative energy projects, and for infrastructure projects relating to functionally obsolete and structurally deficient bridges.

## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

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### TAX-EXEMPT BONDS OR BUILD AMERICA BONDS

- Revenue bonds issued are expected to be tax-exempt; however, the Treasurer of State will have the flexibility to take advantage of the Build America Bonds (BABs) authorized under the federal American Recovery and Reinvestment Act of 2009, if those bonds are more cost-effective and beneficial to the State. The BABs would have the same restrictions as tax-exempt bonds on the use of the proceeds and may only be issued for the same types of purposes as tax-exempt bonds. The difference is that BABs are taxable bonds that receive a federal subsidy of 35.0% of the interest payment so the borrowing costs may be lower under BABs than regular tax-exempt bonds. The opportunity for issuing BABs is limited by the federal Act and is only available in 2009 and 2010.

### REVENUE BONDS – LIMITED SPECIAL OBLIGATIONS

- Specifies that the annual debt service on appropriation bonds is payable solely from the moneys in the debt service fund and any reserve funds. Revenue bonds are limited special obligations that have a designated revenue stream pledged to repayment and do not require the State to pledge its full faith or credit through taxes and resources or charge against the general credit or General Fund of the State as would be required for General Obligation (GO) bonds. Iowa does not have any outstanding GO bonds.

### REFUNDING

- Authorizes the Treasurer of State to refund any of the revenue bonds issued. Generally, tax-exempt bonds allow for one refunding.

NOTE: The Treasury of State advises that any refunding would only occur if it was cost-effective because of decreasing interest rates. The results would either be a decrease in debt service payments or the ability to generate additional proceeds for State use at the same amount of the existing debt service payments. Post-refunding debt service payments would not exceed pre-refunding debt service payments.

### REVENUE BONDS CAPITALS (RBC) FUND

- Creates the RBC Fund to receive net proceeds from the issuance of revenue bonds. Interest earned on the Fund will be credited to the Fund.

### REPORTING REQUIREMENT

- Requires an annual infrastructure report for appropriations received from the RBC Fund by January 15. This is consistent with State reporting requirements for appropriations from any of the infrastructure, capitals, and technology-related funds.

### DEBT SERVICE FUNDS AND RESERVE FUNDS

- Creates a Revenue Bonds Debt Service Fund for purposes of receiving the revenues that are intended to pay the debt service on the bonds. Authorizes the Treasurer of State to create bond reserve funds as required to secure the issue of the bonds.

### MORAL OBLIGATION LANGUAGE

- Includes moral obligation language to assure the continued solvency of any bonds issued. The moral obligation includes the requirement for the Treasurer of State to certify by January 1 the sum required to restore the bond reserve funds if the amounts in those funds are insufficient and request that the budget include funding to restore the amounts needed. The Governor may request this funding in the annual budget proposed to the General Assembly. Any funds appropriated for the purpose will be deposited by the Treasurer into the applicable bond reserve fund.

# EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

# SENATE FILE 376 AS AMENDED BY THE HOUSE REVENUE BONDING AND I-JOBS PROGRAM BILL

## UNUSED WAGERING TAX ALLOCATION DEPOSITED TO RIIF

- Specifies that annually on August 31, any moneys in the debt service fund that are not encumbered or obligated for debt service payments for that fiscal year will be credited to the RIIF.

NOTE: To keep the higher bond rating on the revenue bonds, the Treasurer advised using a conservative estimate of the amount of wagering tax revenue pledged for the debt service. Changes the allocations under Section 8.57(6)(e), Code of Iowa, requiring the first \$55.0 million to be credited to the Revenue Bonds Debt Service Fund. This amount is expected to exceed the amount required for debt service, currently estimated at \$49.1 million.

## DIVISION II

## ***I-JOBS BOARD, FUND, AND PROGRAM***

## I-JOBS BOARD AND IOWA FINANCE AUTHORITY SUPPORT

- Establishes a new I-JOBS Board within the Iowa Finance Authority (IFA). The Board will oversee the new I-JOBS Program and manage the disbursement of funds from the I-JOBS Fund. The IFA will administer the Program and provide staffing, office space, and support for the Board. For these purposes, the IFA is to receive a standing appropriation of \$200,000 from the RIIF for the duration of the Program. The IFA is authorized to establish emergency and regular administrative rules to administer the Program.

## I-JOBS PROGRAM

- Creates the I-JOBS Program for the purpose of assisting local governments and communities with local infrastructure construction projects relating to disaster rebuilding, reconstruction and replacement of local public buildings, flood control, and flood protection. The I-JOBS Board will allocate funds on a competitive basis. Notwithstanding the limitation on the percentage of State support for disaster-related assistance under Section 29C.6(17), Code of Iowa.
- Specifies a city, county, or nonprofit organization that sponsors or supports the public needs of the local community may apply to the Board for grants under the Program. Specifies the criteria that the Board must consider for prioritizing eligible projects.
- The Board may award grants of up to 75.0% of the total cost for replacing or rebuilding existing disaster-related damaged buildings and up to 50.0% for the total cost for all other projects.

## FUNDS FOR I-JOBS PROGRAM

- Specifies the total amount of allocations for the I-JOBS Program will be \$175.0 million of the net proceeds of the revenue bonds beginning in FY 2010. The Board will ensure that all funds are expended within three years from the date the allocation is initially made.

## BOARD ASSURANCE

- Specifies the Board will develop a level of transparency regarding project allocations and ensure that funds obligated under the Program are coordinated with other potential funding sources to leverage all funds. Also specifies that the Board will ensure that projects receiving funds are located in geographically diverse areas of the State.

## I-JOBS APPLICATION REVIEW

- Authorizes the Board to establish a Review Committee for purposes of making recommendations regarding applications to the Board.

**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

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REVENUE BONDING AND I-JOBS PROGRAM BILL**

**I-JOBS RESTRICTED CAPITALS  
FUND**

- Creates the Iowa Jobs Restricted Capitals Fund (I-JOBS Fund) as a separate State fund under the control of the I-JOBS Board. Moneys in the Fund are appropriated to the I-JOBS Board for purposes of the I-JOBS Program and may only be used for the purposes of the Program. Interest earned on the Fund will be credited to the Fund.
- Appropriates \$165.0 million from the RBC Fund for deposit into the I-JOBS Fund for FY 2010.
  - Of the total amount deposited to the I-JOBS Fund, \$118.5 million is allocated through competitive grants for local infrastructure projects under the I-JOBS Program. Specifies that grant applicants may not receive more than \$50.0 million in assistance from the I-JOBS Fund.
  - The additional \$46.5 million is for targeted disaster rebuilding projects in Linn County, Cedar Rapids, and other specified cities. The disaster-related projects are not restricted to the State's percentage of funding under Section 29C.6(17), Code of Iowa. Targeted projects do not need to go through the I-JOBS competitive grants process.

**TARGETED REBUILDING IN CEDAR  
RAPIDS, LINN COUNTY, AND  
SPECIFIED CITIES**

- Allocations for Linn County targeted disaster rebuilding are as follows:
  - \$10.0 million for the construction of a shared facility for nonprofit human services organizations serving the public, especially those displaced as a result of the flooding of 2008. Total estimated project cost is \$14.8 million.
  - \$5.0 million for construction and renovation of a facility, used by a county-funded workshop program, that focuses on persons with mental health or developmental disabilities. Total estimated project cost is \$7.3 million.
  - \$5.0 million for economic redevelopment projects to improve energy efficiency and develop alternative and renewable energy technologies. These grants are to be issued through the City of Cedar Rapids.
  - \$10.0 million for the restoration, repair, and rebuilding of the National Czech & Slovak Museum. The Museum had to close due to the flood damage that submerged the museum building. Plans are to rebuild the Museum at a new location, while reclaiming the old location for other uses. Estimated cost for rebuilding the Museum is \$25.0 million.

## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

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### TARGETED REBUILDING IN CEDAR RAPIDS, LINN COUNTY, AND SPECIFIED CITIES (CONTINUED)

- \$5.0 million for the restoration and repair of the Paramount Theater, a historic theater in Cedar Rapids. The theater was severely damaged in the 2008 flooding, ruining numerous improvements made during the 2004 renovation. Funds will be used to renovate and repair the theater at the existing location. Total costs for repairs and restoration are estimated at \$25.7 million.
  - \$5.0 million for the rebuilding of the Cedar Rapids Public Library. The flooding reached the higher shelves on the Library's ground floor, destroying almost two-thirds of the Library's collection of books, movies, and CDs in the main facility. Estimated rebuilding for the Library is \$24.0 million. The City will relocate the Library to a new location.
  - \$5.0 million for the rebuilding of the Cedar Rapids Public Works building. Total estimated project cost is \$29.5 million.
  - \$1.5 million for fire station improvements at three fire stations in Palo, Elkader, and Charles City. Each fire station will receive \$500,000. The existing Palo Fire Department served as a disaster recovery center for Federal Emergency Management Agency (FEMA) during the 2008 flooding. The Charles City fire station was flooded during 2008 and the estimated total cost for repair, replacement, and preventive flood-resistant measures is \$2.6 million.
- Grants for the targeted rebuilding are contingent on submission of a specified plan for each project to the I-JOBS Board by September 1, 2009. Funds for projects that do not submit a plan by the deadline will revert to the I-JOBS Fund for use by the I-JOBS Board in the competitive grant process.
- Requires an annual infrastructure report for appropriations received from the I-JOBS Fund by January 15. This is consistent with State reporting requirements for appropriations from infrastructure and technology-related funds.

### REPORTING REQUIREMENT

### DIVISION III

#### DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

#### DEPARTMENT OF NATURAL RESOURCES

### **RBC FUND APPROPRIATIONS**

- Appropriates \$11.5 million to the Department of Agriculture and Land Stewardship to the Soil Conservation Division for soil conservation projects. Authorizes the Department to provide moneys in the form of grants to accomplish reconstruction or repair of permanent soil and water conservation practices that were damaged in the 2008 flooding. Authorizes the Department to award grants to provide wetland mitigation banks and to allow landowners to participate in the conservation reserve enhancement program to improve water quality.
- Appropriates \$13.5 million to the Department of Natural Resources for various types of watershed rebuilding, water retention, and water quality projects. The funds may be used for addressing issues related to stormwater overflows, mitigating flood damage or threat of flood damage, and improving or replacing low-head dams, as well as other related watershed and water quality purposes. Specifies that the funds awarded for these purposes will be in the form of grants.

**EXECUTIVE SUMMARY  
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**IOWA ENERGY CENTER**

- Appropriates \$5.0 million for deposit in the existing Alternate Energy Revolving Loan Fund for purposes of encouraging projects that develop alternative energy production facilities and small hydro facilities throughout the State. Specifies the Center must track the bond proceeds separately and may not use the funds for administration planning.

**IOWA FINANCE AUTHORITY**

- Appropriates \$55.0 million to IFA for water quality and wastewater improvement projects. Of that amount, up to \$35.0 million will be allocated for projects in small communities with a population of fewer than 10,000 people. Furthermore, IFA is directed to establish and administer a water quality financial assistance program. The purpose of the program is to provide additional financial assistance to communities receiving loans from the existing mechanism for water pollution and drinking water improvements under Section 16.131, Code of Iowa.
- Appropriates \$10.0 million to the new Public Service Shelter Grant Fund, under IFA, for construction, renovation, and improvements to homeless shelters, emergency shelters, and family and domestic violence shelters.
- Appropriates \$5.0 million to the new Disaster Damage Housing Assistance Grant Fund, under IFA, for grants that provide financial assistance to ease and speed recovery efforts of neighborhoods affected by the 2008 disasters. Grants will be used to help homeowners with disaster repair to prevent population loss and turnover in the neighborhood. Grants will be used to improve health, safety, and welfare of homeowners remaining in the disaster area.
- Appropriates \$20.0 million to the new Affordable Housing Assistance Grant Fund, under IFA, for grants to assist in obtaining affordable housing for certain elderly, disabled, low-income people, as well as to attract new people for public service jobs that are facing a critical shortage area in the State (nurses, for example).

**IOWA TELECOMMUNICATIONS AND  
TECHNOLOGY COMMISSION**

- Appropriates \$25.0 million to the Iowa Telecommunications and Technology Commission (ITTC) to provide public broadband technology grants for the deployment and sustainability of high-speed broadband access.
- Competitive grants will be made through a new Governance Board created for purposes of promoting universal access to high-speed broadband services throughout the State, and for the sustainability of these services. The Governance Board will be established by the ITTC, the Iowa Economic Development Board, and the Iowa Utilities Board. The three entities will share administration and planning costs for the Governance Board.
- Specifies the Governance Board will establish a comprehensive plan to fulfill its purpose and establish a competitive grant process for disbursement of the funds. Specifies the priorities and criteria for the Board to consider and include.



## EXECUTIVE SUMMARY NOTES ON BILLS AND AMENDMENTS

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### DEPARTMENT OF TRANSPORTATION

- Appropriates \$50.0 million to the Department of Transportation (DOT) be deposited in the new Bridge Safety Fund to be used for infrastructure projects relating to functionally obsolete and structurally deficient bridges.
- **DETAIL:** On the State's primary road system, there are currently 239 bridges classified as structurally deficient and 290 classified as functionally obsolete for a total of 529 deficient bridges. Approximately 50-60 of the identified bridge projects could be funded with the \$50.0 million. A bridge is structurally deficient if there is significant deterioration of the bridge deck, supports or other major components. Bridges that are structurally deficient are often restricted to carrying lower weight vehicles or are closed if they are found to be unsafe. The classification of a bridge as "structurally deficient" does not mean the structure is unsafe. A functionally obsolete bridge is one that was built to standards that are not used today. These bridges are not automatically rated as structurally deficient, nor are they inherently unsafe. Functionally obsolete bridges are those that do not have adequate lane widths, shoulder widths, or vertical clearances to serve current traffic demand.

### TAX-EXEMPT RESTRICTIONS

- Requires the RBC Fund appropriations to be expended in a manner that does not jeopardize the tax-exempt status of bonds issued.
- Funds may not be used for administration or planning of programs.
- Specifies that funds appropriated for FY 2010 from the RBC Fund will not revert for four fiscal years.

### NONREVERSION OF FUNDS DIVISION IV

### BONDING AUTHORIZATION – HOSPITAL REVENUE BONDS

#### **REGENTS BONDING**

- Eliminates the requirement for the Board of Regents to receive authorization from the General Assembly and the Governor before issuing hospital revenue bonds. Authorizes the Board of Regents to sell bonds or notes at a private sale without published notice under certain circumstances and to sell bonds or notes at certain interest rates.
- Permits the Board of Regents to use revenue bond proceeds for construction of replacement facilities and for flood recovery and flood mitigation expenses resulting from a disaster emergency area as proclaimed by the Governor. The Board plans to use \$25.0 million of revenue bonds from the bonding authorization provided in the 2007 Legislative Session to supplement the State funds needed for flood recovery at the University of Iowa. Senate File 474 (FY 2010 Regents Flood Recovery Bonding Bill) provides authorization for \$100.0 million in additional academic revenue bonds to be issued for purposes of flood recovery efforts at the University of Iowa.

### EXPANDED USE – ACADEMIC REVENUE BONDS

#### **CHANGES TO PRIOR APPROPRIATIONS AND SHIFT TO RBC FUND**

### DIVISION V

### DEPARTMENT OF ECONOMIC DEVELOPMENT

- Deappropriates the previously enacted FY 2010 \$10.0 million appropriation for the River Enhancement Community Attraction and Tourism (RECAT) from the RIIF. Funding for RECAT has been maintained from the RBC Fund as an FY 2009 appropriation.

**EXECUTIVE SUMMARY  
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REVENUE BONDING AND I-JOBS PROGRAM BILL**

**DEPARTMENT OF ADMINISTRATIVE  
SERVICES**

- Deappropriates a total of \$16.6 million of the FY 2009 RC3 appropriations for the Department of Administrative Services rather than moving them to the RBC Fund. This amount includes a \$375,000 reduction to the FY 2009 appropriation to DAS for major repairs and major maintenance from \$15.0 million to \$14.6 million.

***APPROPRIATION SHIFTS***

*Generally, the additional changes below represent funding shifts from the FY 2009 RC3 appropriations to the RBC Fund to remedy the projects that have been delayed due to the planned securitization of the remaining tobacco payments not occurring.*

**DEPARTMENT FOR THE BLIND**

- \$870,000 for renovation of dormitory buildings at the Adult Orientation Center in Des Moines.

**DEPARTMENT OF CORRECTIONS**

- \$5.3 million for the expansion of the community-based correctional facility at Sioux City.
- \$4.1 million for the expansion of the community-based correctional facility at Ottumwa.
- \$6.0 million for the expansion of the community-based correctional facility at Waterloo.
- \$2.1 million for the expansion of the community-based correctional facility at Davenport. This appropriation is new and was not part of the FY 2009 RC3 appropriations.
- \$13.1 million for the expansion of the community-based correctional facility at Des Moines, including land acquisition for the facility. This appropriation is new and was not part of the FY 2009 RC3 appropriations.
- \$47.5 million for expansion of the Iowa Correctional Institution for Women at Mitchellville.
- \$12.5 million for capital improvements at the correctional facilities at Mount Pleasant and Rockwell City.
- \$12.0 million for the Community Attraction and Tourism (CAT) Fund. This appropriation was previously enacted as an FY 2010 RIIF appropriation and was not part of the FY 2009 RC3 appropriations.

**DEPARTMENT OF ECONOMIC  
DEVELOPMENT**

**EXECUTIVE SUMMARY  
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**DEPARTMENT OF ECONOMIC  
DEVELOPMENT (CONTINUED)**

**DEPARTMENT OF EDUCATION**

**DEPARTMENT OF NATURAL  
RESOURCES**

**BOARD OF REGENTS**

**STATE FAIR AUTHORITY**

**DEPARTMENT OF  
TRANSPORTATION**

**DEPARTMENT OF VETERANS  
AFFAIRS**

**REVERSION EXTENSION**

- \$10.0 million for the River Enhancement Community Attraction and Tourism (RECAT) Fund. This appropriation was previously enacted as an FY 2010 RIIF appropriation and was not part of the FY 2009 RC3 appropriations.
- \$5.5 million for Accelerated Career Education (ACE) Program vertical infrastructure projects at community colleges. This appropriation is new and was not part of the FY 2009 RC3 appropriations.
- \$2.0 million for major renovation and repair, including health, life, and fire safety needs, and for compliance with the federal Americans with Disabilities Act, for community college buildings.
- \$750,000 for infrastructure improvements at the Volga River Recreation Area.
- \$500,000 for improvements at Levi Carter Lake.
- Deappropriates \$4.9 million for construction costs associated with opening of the Honey Creek Premier Destination Park. NOTE: This reflects current law, as this deappropriation was enacted in HF 414 (FY 2009 Appropriation Adjustments Act). The appropriation was replaced with an FY 2009 RC2 appropriation.
- \$10.0 million for lake restoration and dredging projects. This is an increase of \$1.4 million from the FY 2009 RC3 appropriation.
- \$1.9 million for major renovations, major repairs, and other needs related to Iowa Public Radio. This is a decrease of \$100,000 compared to the RC3 appropriation.
- \$10.0 million for construction and renovation of the veterinary medical facilities at Iowa State University to provide expanded clinical services in a small animals hospital. This appropriation is new and was not part of the FY 2009 RC3 appropriations.
- Deappropriates \$5.0 million for construction of an agricultural exhibition center and other infrastructure improvements at the Iowa State Fairgrounds rather than moving the appropriation to the RBC Fund.
- \$2.2 million for the Public Transit Infrastructure Grant Fund for vertical infrastructure projects at the 35 public transit agencies throughout the State.
- \$1.5 million for vertical infrastructure improvements at the State's commercial service airports.
- \$22.6 million for matching funds for construction and other improvements associated with the Iowa Veterans Home Master Plan. This is an increase of \$2.0 million compared to the RC3 appropriation.
- Deappropriates \$100,000 for a memorial plaza honoring veterans from the Dubuque area. This project was funded by a transfer from the Veterans County Grant Program.
- Changes the reversion date for appropriations from the end of FY 2012 to the end of FY 2013.

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**DIVISION VI**

**WAGERING TAX ALLOCATIONS**

**MISCELLANEOUS CODE CHANGES**

- Changes the wagering tax allocations for purposes of pledging a revenue stream for the new revenue bonds beginning in FY 2011. The allocations will be as follows:
  - \$55.0 million to the Revenue Bonds Debt Service Fund for purposes of debt service on the new revenue bonds.
  - \$5.0 million to the General Fund.
  - \$15.0 million to the Vision Iowa Fund for purposes of debt service on the existing Vision Iowa bonds.
  - \$5.0 million to the School Infrastructure Fund for purposes of debt service on the existing School Infrastructure bonds.
  - \$55.0 million to the General Fund.
- The remainder of the wagering tax revenues is deposited in the RIIF.

NOTE: The estimate for wagering tax revenue that would be deposited in the RIIF for FY 2011 is \$198.4 million. The new allocation would reduce the amount to the RIIF by \$55.0 million. On August 31 annually, the Treasurer of State will transfer any unneeded amounts for the revenue bond debt service back to the RIIF. As of April 2009, the projected debt service payment is \$49.1 million.

**BACKUP PLEDGE FOR REVENUE  
BONDS**

- Adds a secondary source of funding as backup to the pledge of revenue for the revenue bonds debt service in the event funding is not sufficient. The secondary source is the Beer and Liquor Control Fund under Section 123.53, Code of Iowa.

NOTE: Any revenue bonds pledged with wagering tax revenue must include a secondary source of funds because of a concern that there could be a loss of revenue due to potential changes in county laws. Every 10 years, the counties with casinos must vote whether or not to authorize continued gambling. The Vision Iowa and School Infrastructure bonds have lottery revenues pledged as their respective secondary sources.

**PUBLIC SERVICE SHELTER GRANT  
FUND**

- Creates the Public Service Shelter Grant Fund under IFA for the purpose of grants for construction, renovation, or improvements of homeless shelters, emergency shelters, and family and domestic shelters. Interest earned on the Fund will be credited to the Fund.
- Requires an annual infrastructure report on the appropriation received for the Public Service Shelter Grant Fund to be submitted to the Legislative Services Agency and the Department of Management by January 15. This is consistent with State reporting requirements for appropriations from other infrastructure and bonding-related funds.

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### DISASTER DAMAGE HOUSING ASSISTANCE GRANT FUND

- Creates the Disaster Damage Housing Assistance Grant Fund under IFA for the purpose of grants that provide financial assistance to ease and speed recovery efforts related to neighborhoods affected by the 2008 disasters. Grants will be used to help homeowners with disaster repair to prevent population loss and turnover in the neighborhood. Furthermore, grants will be used to improve health, safety, and welfare of homeowners remaining in the disaster area. Interest earned on the Fund will be credited to the Fund.

### AFFORDABLE HOUSING GRANT FUND

- Requires an annual infrastructure report on the appropriation received for the Disaster Damage Housing Assistance Grant Fund to be submitted to the Legislative Services Agency and the Department of Management by January 15. This is consistent with State reporting requirements for appropriations from other infrastructure and bonding-related funds.

- Creates the Affordable Housing Assistance Grant Fund under IFA for the purpose of providing grants to assist in obtaining affordable housing for certain elderly, disabled, low-income people, as well as to attract new people for public service jobs that are facing a critical shortage area in the State (nurses, for example). Interest earned on the Fund will be credited to the Fund.

- Requires an annual infrastructure report for the appropriation received for the Affordable Housing Assistance Grant Fund to be submitted to the Legislative Services Agency and the Department of Management by January 15. This is consistent with State reporting requirements for appropriations from other infrastructure and bonding-related funds.

### CHANGES TO BEER AND LIQUOR CONTROL FUND

- Adds language to the existing Beer and Liquor Control Fund consistent with the use of the Fund as a secondary revenue pledge source for the revenue bonds. Specifies that if moneys in the Fund are insufficient for these purposes, the difference will be made up in subsequent fiscal years.
- Requires the Treasurer of State to prepare a quarterly estimate of the gaming revenues and other revenues expected to be deposited in the Fund. Requires the Department of Management, the Department of Inspection and Appeals, and the Department of Commerce to take appropriate actions to assure the amount of moneys deposited is sufficient to cover any anticipated deficiencies.

### BRIDGE SAFETY FUND

- Creates the Bridge Safety Fund under the DOT to be used for infrastructure projects relating to functionally obsolete and structurally deficient bridges on the State's primary road system.
- Requires an annual report for the appropriation received for the Bridge Safety Fund to be submitted to the Legislative Services Agency and the Department of Management by January 15. This is consistent with State reporting requirements for appropriations from other infrastructure and bonding-related funds.

### LOCAL BONDING AUTHORIZATION FOR ROADS AND BRIDGES

- Expands the authority for counties to bond for capital projects for the construction, reconstruction, improvement, repair, or equipping of bridges, roads, and culverts if the projects relate to damage caused by a disaster as defined in Section 29C.2, Code of Iowa, or if the projects are designed to prevent or mitigate damage from future disasters.

### EFFECTIVE DATE

- The Bill is effective on enactment.

# Revenue Bonds Capitals Fund (RBC Fund)

	Legislative Action FY 2009	Legislative Action FY 2010
<b>Resources</b>		
Beginning Balance	\$ 0	\$ 360,000,000
Bond Proceeds	545,000,000	0
Total Available Resources	\$ 545,000,000	\$ 360,000,000
<b>Phase I Appropriations</b>		
Department of Administrative Services		
Major Maintenance	14,624,923	
Department for the Blind		
Dormitory Remodel Adult Orientation Center Des Moines	869,748	0
Department of Corrections		
First CBC - Waterloo Residential Expansion	6,000,000	0
Third CBC - Sioux City Residential Expansion	5,300,000	0
Seventh CBC - Davenport Residential Expansion	2,100,000	0
Eighth CBC - Ottumwa Residential Expansion	4,100,000	0
Iowa Correctional Institution for Women at Mitchellville Expansion	47,500,000	0
Fifth CBC - Des Moines Residential Expansion	13,100,000	0
Mt. Pleasant and Rockwell City Improvements	12,500,000	0
Department of Economic Development		
Community Attraction and Tourism Grants (CAT)	12,000,000	0
River Enhancement Community Attraction and Tourism (RECAT)	10,000,000	0
ACE Vertical Infrastructure Community Colleges	5,500,000	0
Department of Education		
Community College Major Maintenance Infrastructure	2,000,000	0
Department of Natural Resources		
Volga River Rec. Area Infrastructure Improvements	750,000	0
Carter Lake Improvements	500,000	
Lake Restoration and Water Quality	10,000,000	0
Regents		
Iowa Public Radio Infrastructure	1,900,000	0
ISU - Veterinary Lab Phase II Small Animals Hospital	10,000,000	0
Department of Transportation		
Public Transit Infrastructure	2,200,000	0
Commercial Airport Vertical Infrastructure	1,500,000	0
Department of Veterans Affairs		
Iowa Veterans Home Master Plan	22,555,329	0
<b>Total Phase I Expenditures</b>	<b>\$ 185,000,000</b>	<b>\$ 0</b>
<b>Phase II Appropriations</b>		
Department of Agriculture and Land Stewardship		
Soil Conservation	0	11,500,000
Iowa Energy Center		
Alternate Energy Revolving Loan Program	0	5,000,000
Iowa Finance Authority		
Public Service Shelter Grant Fund	0	10,000,000
Disaster Damage Housing Assistance Grant Fund	0	5,000,000
Affordable Housing Assistance Grant Fund	0	20,000,000
Sewer Infrastructure	0	55,000,000
Iowa Jobs Board		
I-JOBS Restricted Capital Fund - \$165.0 million allocated as follows:		
Local Infrastructure Competitive Grant Program	0	118,500,000
Targeted Disaster Rebuilding Linn County	0	46,500,000
Iowa Telecommunications and Technology Commission		
Broadband Deployment and Sustainability Grants	0	25,000,000
Department of Natural Resources		
Watershed Rebuilding - Water Quality	0	13,500,000
Department of Transportation		
Bridge Safety Fund	0	50,000,000
<b>Total Phase II Expenditures</b>	<b>\$ 0</b>	<b>\$ 360,000,000</b>
Total Expenditures	\$ 185,000,000	\$ 360,000,000
Ending Balance	\$ 360,000,000	\$ 0